

ONE HUNDRED AND TWENTY-SIXTH LEGISLATURE
SECOND REGULAR SESSION
9th Legislative Day
Tuesday, February 4, 2014

The House met according to adjournment and was called to order by the Speaker.

Prayer by Pastor Joe Campbell, White Pine Community Church, North Yarmouth.

National Anthem by Oxford Hills Middle School Band, South Paris.

Pledge of Allegiance.

Doctor of the day, Craig Curtis, M.D., Holden.

The Journal of Thursday, January 30, 2014 was read and approved.

SENATE PAPERS

Non-Concurrent Matter

Resolve, Extending the Date by Which the Family Law Advisory Commission Must Report on Its Study of the Uniform Parentage Act and Other Similar Laws and Proposals

(H.P. 1243) (L.D. 1737)

Unanimous **REFER TO THE COMMITTEE ON JUDICIARY pursuant to the Resolve 2013, chapter 12, section 2** Report of the **Family Law Advisory Commission READ and ACCEPTED** and the Resolve **REFERRED** to the Committee on **JUDICIARY** in the House on January 16, 2014.

Came from the Senate with the Unanimous **REFER TO THE COMMITTEE ON JUDICIARY pursuant to the Resolve 2013, chapter 12, section 2** Report of the **Family Law Advisory Commission READ and REJECTED** and the Resolve **PASSED TO BE ENGROSSED in NON-CONCURRENCE.**

The House voted to **RECEDE AND CONCUR.**

COMMUNICATIONS

The Following Communication: (H.C. 342)

**STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0001**

January 16, 2014

Honorable Justin L. Alfond

President of the Senate

3 State House Station

Augusta, Maine 04333

Honorable Mark W. Eves

Speaker of the House

2 State House Station

Augusta, Maine 04333

Dear President Alfond and Speaker Eves:

I thank you for the invitation to deliver my State of the State address at a Joint Session of the 126th Legislature. I will be there on Tuesday, February 4, 2014 at 7:00 p.m.

Sincerely,

S/Paul R. LePage

Governor

READ and ORDERED PLACED ON FILE.

The Following Communication: (H.C. 334)

**MAINE GOVERNMENTAL FACILITIES AUTHORITY
127 COMMUNITY DRIVE
AUGUSTA, MAINE 04338-2268**

January 24, 2014

Honorable Mark W. Eves

Speaker of the House

2 State House Station

Augusta, Maine 04333

Honorable Justin L. Alfond

President of the Senate

3 State House Station

Augusta, Maine 04333

RE: Quasi-Independent State Entities annual report required under 5 MRSA c.379, sub-c.3, section 12023

Dear Speaker Eves and President Alfond:

I am pleased to provide the following annual report concerning the operating activities of the Maine Governmental Facilities Authority (the Authority) for our fiscal year ended June 30, 2013.

The Authority adopted and implemented policies and procedures concerning purchasing, contributions and lobbying and travel prior to July 1, 2013. All employees of the Authority are familiar with these policies and procedures and are aware that only the Executive Director can waive them. No changes have been made to the policies and procedures since adoption.

The Authority's Board of Commissioners approves an annual operating budget. They are also provided a periodic Treasurer's Report that details all expenditures, including a comparison of budget to actual expenditures and a list of checks written during the period of the report in order to monitor compliance with all policies and procedures. The Commissioners are given an opportunity to question the staff concerning the report before they vote to approve it. Backup for any expenditure is provided to the Board, upon request.

As a bit of background, the Authority shares administrative space, expenses, personnel and associated costs with the Maine Health and Higher Educational Facilities Authority and the Maine Municipal Bond Bank. All shared costs are allocated based on employee time and billed to each entity by the Maine Municipal Bond Bank. All employees are employees of the Maine Municipal Bond Bank.

Expenditures with Competitive Procurement Waived:

The Authority has a continuing relationship with its bond trustee, The Bank of New York/Mellon. This relationship began in the late 1990's and has continued as The Bank of New York/Mellon has honored the original fee schedule and has provided superior service. The Authority paid The Bank of New York/Mellon approximately \$22,000.00 in fiscal year 2013. The Bank of New York/Mellon has recently notified the Authority that it will be increasing its fees in fiscal year 2014, which will result in the Authority issuing an RFP for trustee services.

As an issuer of municipal securities, the Authority incurs some bond issue related expenses which are required by the industry and do not lend themselves to be put out for an RFP. These vendors include the rating agencies Standard and Poor's, Moody's Investor Services and Fitch, Inc. who provide bond ratings on all bonds. These payments totaled approximately \$41,550 in fiscal year 2013.

The buildings financed by the Authority are used by the State for State purposes. The Authority pays building insurance on those buildings through Risk Management at the State. The total building insurance paid by the Authority for fiscal year 2013 was \$25,175.

Other:

The Authority made no contributions to any person during fiscal year 2013.

The Authority does not employ any person, other than Authority staff, for the purpose of lobbying.

Please feel free to contact me with any questions or comments that you might have concerning this report. I can be reached at 622-9386 or by e-mail at mrg@mgfa.com

Sincerely yours,
S/Michael R. Goodwin
Executive Director

READ and ORDERED PLACED ON FILE.

The Following Communication: (H.C. 335)
MAINE MUNICIPAL BOND BANK
127 COMMUNITY DRIVE
AUGUSTA, MAINE 04338-2268

January 24, 2014
Honorable Mark W. Eves
Speaker of the House
2 State House Station
Augusta, Maine 04333
Honorable Justin L. Alfond
President of the Senate
3 State House Station
Augusta, Maine 04333

RE: Quasi-Independent State Entities annual report required under 5 MRSA c.379, sub-c.3, section 12023

Dear Speaker Eves and President Alfond:

I am pleased to provide the following annual report concerning the operating activities of the Maine Municipal Bond Bank (the Bond Bank) for our fiscal year ending June 30, 2013.

The Bond Bank adopted and implemented policies and procedures concerning purchasing, contributions and lobbying and travel prior to July 1, 2013. All employees of the Bond Bank are familiar with these policies and procedures and are aware that only the Executive Director can waive them. No changes have been made to the policies and procedures since adoption.

The Bond Bank's Board of Commissioners approves an annual operating budget. They are also provided a periodic Treasurer's Report that details all expenditures, including a comparison of budget to actual expenditures and a list of checks written during the period of the report in order to monitor compliance with all policies and procedures. The Commissioners are given an opportunity to question the staff concerning the report before they vote to approve it. Backup for any expenditure is provided to the Board, upon request.

As a bit of background, the Bond Bank shares administrative space, expenses, personnel and associated costs with the Maine Health and Higher Educational Facilities Authority and the Maine Governmental Facilities Authority. All shared costs are allocated based on employee time and billed to each entity by the Bond Bank. All employees are employees of the Bond Bank.

Expenditures with Competitive Procurement Waived:

The Bond Bank has an ongoing relationship with three vendors that it has not issued an RFP for in more than several years.

The Bond Bank purchases its health and dental insurance through the Maine Municipal Employee's Health Trust (the Health Trust) and also provides the employees an opportunity to purchase long and short term disability and vision insurance, at their option. The Health Trust is a multi-employer, non-profit aggregator of these employee benefits and the Bond Bank believes that it will not be able to purchase these benefits at a lower cost elsewhere. The Bond Bank paid the Health Trust approximately \$363,000.00 in fiscal year 2013, which included benefits that the employees purchased at their option.

The Bond Bank has a continuing relationship with Bangor Savings Bank which provides the Bond Bank with investment custodian services. Bangor Savings Bank has not increased its

fee for these services since the inception of the relationship in 1994. The Bond Bank believes that it is receiving superior service at a very reasonable cost. The Bond Bank paid Bangor Savings Bank approximately \$137,000.00 in fiscal year 2013. The Bond Bank anticipates that it will be issuing an RFP for these services in fiscal year 2014.

The Bond Bank has a continuing relationship with its bond trustee, US Bank. This relationship began in the early 1980's and has continued as US Bank has honored the original fee schedule and has provided superior service. The Bond Bank paid US Bank approximately \$122,000.00 in fiscal year 2013. US Bank has recently notified the Bond Bank that it will be increasing its fees in fiscal year 2014, which will result in the Bond Bank issuing an RFP for trustee services.

As an issuer of municipal securities, the Bond Bank incurs some bond issue related expenses which are required by the industry and do not lend themselves to be put out for an RFP. These vendors include the rating agencies Standard and Poor's, Moody's Investor Services and Fitch, Inc. who provide bond ratings on all bonds. These payments totaled approximately \$103,000.00 in fiscal year 2013.

The Bond Bank periodically refunds (refinances) bond issues that require, pursuant to the call provisions of the bonds, the publication of call notices of the refunded bonds in a publication, the Bond Buyer - Source Media, Inc., that is published in New York, New York. The Bond Bank's Trustee for all its bond issues, US Bank, publishes these call notices which totaled approximately \$40,000 in fiscal year 2013.

Other bond issue related payments that aggregate more than \$10,000 include Anderson Aquino, LLP, who is the counsel of our Trustee, US Bank. The Bond bank, pursuant with its agreement with its trustee, pays \$5,000 per new bond issue to trustee counsel for their preparation and review of various bond documents. Total payments from the Bond Bank to Anderson Aquino, LLP were \$20,000 in fiscal year 2013.

Other:

The Bond Bank made no contributions to any person during fiscal year 2013.

The Bond Bank does not employ any person, other than Bond Bank staff, for the purpose of lobbying.

Please feel free to contact me with any questions or comments that you might have concerning this report. I can be reached at 622-9386 or by e-mail at mrg@mmbb.com.

Sincerely yours,
S/Michael R. Goodwin
Executive Director

READ and ORDERED PLACED ON FILE.

The Following Communication: (H.C. 336)
MAINE HEALTH AND HIGHER EDUCATIONAL
FACILITIES AUTHORITY
127 COMMUNITY DRIVE
AUGUSTA, MAINE 04338-2268

January 24, 2014
Honorable Mark W. Eves
Speaker of the House
2 State House Station
Augusta, Maine 04333
Honorable Justin L. Alfond
President of the Senate
3 State House Station
Augusta, Maine 04333

RE: Quasi-Independent State Entities annual report required under 5 MRSA c.379, sub-c.3, section 12023

Dear Speaker Eves and President Alfond:

I am pleased to provide the following annual report concerning the operating activities of the Maine Health and Higher Educational Facilities Authority (the Authority) for our fiscal year ended June 30, 2013.

The Authority adopted and implemented policies and procedures concerning purchasing, contributions and lobbying and travel prior to July 1, 2013. All employees of the Authority are familiar with these policies and procedures and are aware that only the Executive Director can waive them. No changes have been made to the policies and procedures since adoption.

The Authority's Board of Commissioners approves an annual operating budget. They are also provided a periodic Treasurer's Report that details all expenditures, including a comparison of budget to actual expenditures and a list of checks written during the period of the report in order to monitor compliance with all policies and procedures. The Commissioners are given an opportunity to question the staff concerning the report before they vote to approve it. Backup for any expenditure is provided to the Board, upon request.

As a bit of background, the Authority shares administrative space, expenses, personnel and associated costs with the Maine Governmental Facilities Authority and the Maine Municipal Bond Bank. All shared costs are allocated based on employee time and billed to each entity by the Maine Municipal Bond Bank. All employees are employees of the Maine Municipal Bond Bank.

Expenditures with Competitive Procurement Waived:

The Authority has a continuing relationship with its bond trustee, US Bank. This relationship began in the 1990's and has continued as US Bank has honored the original fee schedule and has provided superior service. The Authority paid US Bank approximately \$102,000 in fiscal year 2013. US Bank has recently notified the Authority that it will be increasing its fees in fiscal year 2014, which will result in the Authority issuing an RFP for trustee services.

As an issuer of municipal securities, the Authority incurs some bond issue related expenses which are required by the industry and do not lend themselves to be put out for an RFP. These vendors include the rating agencies Standard and Poor's, Moody's Investor Services and Fitch, Inc. who provide bond ratings on all bonds. These payments totaled \$249,500 in fiscal year 2013.

Other:

The Authority made no contributions to any person during fiscal year 2013.

The Authority does not employ any person, other than Authority staff, for the purpose of lobbying.

Please feel free to contact me with any questions or comments that you might have concerning this report. I can be reached at 622-1958 or by e-mail at mrg@mhhefa.com.

Sincerely yours,

S/Michael R. Goodwin

Executive Director

READ and ORDERED PLACED ON FILE.

The Following Communication: (H.C. 348)

**STATE OF MAINE
WORKERS' COMPENSATION BOARD
27 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0027**

January 31, 2014

Honorable Mark W. Eves
Speaker of the House
2 State House Station

Augusta, Maine 04333

RE: Annual report of the Workers' Compensation Board pursuant to 5 M.R.S.A. §12023(2)

Dear Speaker Eves:

I am submitting this annual report on behalf of the Workers' Compensation Board (Board) pursuant to 5 M.R.S.A. § 12023(2).

A. A list of all procurements exceeding \$10,000 in the preceding year for which competitive procurement was waived under the policies adopted pursuant to section 12022, subsection 3, including procurements exceeding \$10,000 that were made under contracts previously entered into for which competitive procurement was not required. The list must include the names of the vendors and costs associated with those procurements.

- The Board did not have any such procurements.

B. A list of all persons to which the entity made contributions greater than \$1,000 in the preceding year and the total amount contributed to each.

- International Association of Industrial Accident Boards and Commissions (IAIABC) -- \$1,500.00. These funds pay for the Board's membership in the IAIABC which is directly related to the Board's mission and activity. As one example, the Board has worked extensively with IAIABC (and other states) to develop protocols for electronic filing of information.

C. A description of changes made in the preceding year to the written policies and procedures required by section 12022 or to the procedures used by the governing body to monitor compliance with those policies and procedures.

- No changes have been made to the Board's policies and procedures.

Very truly yours,

S/Paul H. Sighinolfi, Esq.

Executive Director/Chair

READ and ORDERED PLACED ON FILE.

The Following Communication: (H.C. 333)
**MAINE VENTURE FUND
P. O. BOX 63
NEWPORT, ME 04953**

January 27, 2014

Honorable Justin L. Alfond

President of the Senate

3 State House Station

Augusta, Maine 04333

Honorable Mark W. Eves

Speaker of the House

2 State House Station

Augusta, Maine 04333

RE: Quasi-Independent State Entities Reports to Legislature

Dear President Alfond and Speaker Eves:

In compliance with P. L. 2011, c. 616 and the requirements of 5 MRSA § 12023, the Small Enterprise Growth Board ("SEGB" or "Board"), the governing body of the Small Enterprise Growth Fund, now doing business as Maine Venture Fund ("MVF" or "Fund"), respectfully submits its Quasi-Independent State Entity Report for 2013, attached hereto.

The SEGB formally adopted its financial policies and procedures by Board vote on December 17, 2012, approved amended policy language on June 24, 2013, and implemented said policies and procedures, effective July 1, 2013, to ensure that all activities and expenditures of the Fund are limited to those necessary to accomplish the Fund's mission and to carry out the Fund's duties consistent with the authorizing law.

If you have any questions or need further information, we will be happy to honor your request.

Respectfully submitted,
S/Stephen Goldberg
Chair
Small Enterprise Growth Board
S/John F. Burns, CFA
Fund Manager
Maine Venture Fund
(d/b/a for Small Enterprise Growth Fund)

READ and with accompanying papers **ORDERED PLACED ON FILE.**

The Following Communication: (H.C. 337)

**STATE OF MAINE
CONNECTME AUTHORITY
78 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0078**

January 30, 2014

Honorable Mark W. Eves
Speaker of the House
2 State House Station
Augusta, Maine 04333
Honorable Justin L. Alfond
President of the Senate
3 State House Station
Augusta, Maine 04333

Dear Speaker Eves and President Alfond:

Pursuant to 5 M.R.S.A., Section 12023, please consider this the letter of transmittal for the required report from the ConnectME Authority due by February 1, 2014.

Please contact me if you have any questions or need additional information.

Thank you.

Sincerely,
S/Phillip Lindley
Executive Director

READ and with accompanying papers **ORDERED PLACED ON FILE.**

The Following Communication: (H.C. 338)

**FINANCE AUTHORITY OF MAINE
5 COMMUNITY DRIVE
AUGUSTA, MAINE 04332-0949**

January 30, 2014

Honorable Justin L. Alfond
President of the Senate
3 State House Station
Augusta, Maine 04333
Honorable Mark W. Eves
Speaker of the House
2 State House Station
Augusta, Maine 04333

RE: Quasi-independent entity report

Dear President Alfond and Speaker Eves:

Enclosed please find the 2014 report of the Finance Authority of Maine (FAME) concerning certain procurements and contributions as required by 5 M.R.S.A. §12023.

In addition to the information provided in the attached report, please note that FAME has made no changes in the preceding year to its written policies and procedures required by 5 M.R.S.A. §12022 or to its procedures used to monitor compliance with such policies or procedures.

Please let me know if you have any questions or require further information.

Sincerely,
S/Elizabeth L. Bordowitz
Chief Executive Officer

READ and with accompanying papers **ORDERED PLACED ON FILE.**

The Following Communication: (H.C. 339)

**EFFICIENCY MAINE
151 CAPITOL STREET
AUGUSTA, MAINE 04330-6262**

January 31, 2014

Honorable Mark W. Eves
Speaker of the House
2 State House Station
Augusta, Maine 04333

RE: 5 M.R.S.A. §12023 Reports to the Legislature

Dear Speaker Eves:

Pursuant to the above-referenced statutory requirement, this letter and the documents attached to it shall serve as the report of the Efficiency Maine Trust (the Trust) on the sole source procurements, contributions and policy adoptions or amendments.

Attached, please find:

The report of the Trust's FY13 sole source procurements as required in 2.A;

The report of the Trust's FY13 contributions as required in 2.B; and

A copy of the Trust's Procurement Policy which is the only new policy for the past year.

One policy change is with the Trust's Travel Policy that reflects the statutory language on budgeting and transparency. There are no other changes to report as required in 2.C.

Efficiency Maine adheres to the Contract Invoice Process-Roles and Responsibilities, the ARRA Monitoring and Compliance Plan, Chapter 1: Contracting Process for Service Providers and Grant Recipients, the Travel Policy and Contribution Policy as approved by the Efficiency Maine Trust Board of Trustees and transmitted to the Legislature last year. In the spring of 2013, the Board approved the EMT Procurement Policy that is for use by Staff to procure goods and services used for operation of the Trust, as distinct from goods and services used in the delivery of programs.

The Board monitors compliance by relying on the external auditors who report annually to the Board on the Trust's adherence to its policies as part of its annual and A-133 audit of the Trust's financial statements. The audit reports are presented to and adopted by the Board and reported to the State's Office of the Controller.

Respectfully submitted,
S/Michael D. Stoddard
Executive Director

READ and with accompanying papers **ORDERED PLACED ON FILE.**

The Following Communication: (H.C. 340)
UNIVERSITY OF MAINE SYSTEM
OFFICE OF THE CHANCELLOR
16 CENTRAL STREET
BANGOR, MAINE 04401-5106

January 31, 2014
 Honorable Justin L. Alfond
 President of the Senate
 3 State House Station
 Augusta, Maine 04333
 Honorable Mark W. Eves
 Speaker of the House
 2 State House Station
 Augusta, Maine 04333

Dear President Alfond and Speaker Eves:

In accordance with 5 MRSA, Sections 12021 through 12024 (Public Law 2011, Chapter 616), attached you will find the report of the University of Maine System as required by section 12023.

Please don't hesitate to contact us if we can answer any questions or provide any additional information.

Sincerely,

S/James H. Page, Chancellor
 University of Maine System

READ and with accompanying papers **ORDERED PLACED ON FILE.**

The Following Communication: (H.C. 341)
MAINE HUMAN RIGHTS COMMISSION
51 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0051

January 30, 2014
 Honorable Mark W. Eves
 Speaker of the House
 2 State House Station
 Augusta, Maine 04333
 Honorable Justin L. Alfond
 President of the Senate
 3 State House Station
 Augusta, Maine 04333

Dear Speaker Eves and President Alfond:

I am pleased to provide you with the Maine Human Rights Commission's report of quasi-independent state entity activity for the preceding year, as required by 5 M.R.S.A. §12023. The Executive Director of the Legislative Council directed such reports to be submitted to your attention.

The Maine Human Rights Commission ("MHRC") is committed to ensuring that its governing body has all the information needed to oversee the MHRC's activities and expenditures responsibly. The MHRC's traditional fiscal year is the same as that of the State of Maine: July 1-June 30.

For the 2013 Fiscal Year (July 1, 2012-June 30, 2013), the MHRC reports as follows:

- A. All procurements exceeding \$10,000 for which competitive procurement was waived under the policies adopted pursuant to 5 M.R.S.A. §12022(3), including procurements exceeding \$10,000 that were made under contracts previously entered into for which competitive procurement was not required:

Answer:

In 2012, the MHRC was awarded grants by the U.S. Department of Housing and Urban Development to do special projects that would affirmatively further fair housing and equal opportunity in Maine. The grants were time-limited and labor-intensive. Two of the grants

required the MHRC to hire contractors who already had expertise in Maine's fair housing standards and the federal Fair Housing Act; the pool of qualified persons who could do this work on a contract basis in Maine was (and is) extremely limited.

The MHRC contracted with Alpha One, a center for independent living in Maine, to complete twenty-eight architectural surveys of privately-funded multifamily housing accommodations in Maine constructed for first occupancy after March 13, 1991 in order to assess compliance with the accessible building standards in the Maine Human Rights Act. The original contract was dated April 9, 2012 and called for work totaling \$21,000. When neither the MHRC nor Alpha One was able to identify and/or enlist qualifying housing accommodations in Maine, the contract was amended on September 25, 2013 to reduce the amount paid to \$2,250.

The MHRC also contracted with Pine Tree Legal Assistance ("PTLA"), a legal services agency in Maine, to create online podcasts/videos of fair housing information in foreign language and American Sign Language and to share information on these new fair housing resources through newsletters, social media and outreach events. The original contract dated April 9, 2012 called for work totaling \$29,650. PTLA did much of the work, but was unable to complete all of the planned outreach work. Accordingly, the contract was amended on January 8, 2013 to reduce the amount paid to \$12,426.

- B. All persons to whom the MHRC made contributions greater than \$1,000 and the total amount contributed to each.

Answer: None.

- C. Changes made in the preceding year to the written policies and procedures required by 5 M.R.S.A. §12022 or to the procedures used by the MHRC to monitor compliance with those policies and procedures.

Answer:

The MHRC's procedures for our governing body to monitor financial and program activities were quite extensive even before 5 M.R.S.A. §12022 required specific policies and procedures for agency governance. Before then, the MHRC already: (i) followed all requirements set forth in the State of Maine's Administrative and Accounting Manual regarding financial policies and procedures, including travel, meals and entertainment, contributions, and other expenditures; (ii) utilized competitive procurement as the standard procurement method; and (iii) followed the requirements of 5 M.R.S.A. Subchapter 1-A ("Rules Governing the Competitive Bid Process"), state regulations governing the purchase of services promulgated by the Department of Administrative and Financial Services, Bureau of General Services, and all current policies, bulletins and recommended practices from the Division of Purchases regarding purchasing special services. Also, even before 5 M.R.S.A. §12022 was enacted, the MHRC Commissioners already closely supervised the activities and expenditures of the agency to ensure that they were limited to those necessary to accomplish the agency's mission by reviewing at public meetings detailed quarterly reports about the activities of the agency in the prior quarter. The quarterly reports then included specific data on: personnel changes; pending caseload, complaint filings and dismissals; case

settlements, status of compliance matters and litigation; legislative matters affecting the MHRC; trainings in which MHRC staff took part; and every aspect of the MHRC budget and expenditures on an actual basis.

Even so, on February 25, 2013, the MHRC's Commissioners voted to adopt proposed Financial Policies and Procedures in compliance with 5 M.R.S.A. §1202¹. The Financial Policies and Procedures, which are attached here for reference, meet all of the requirements of the statute. The adopted Financial Policies and Procedures were implemented on or before July 1, 2013.

To ensure technical compliance with 5 M.R.S.A. §12022 and the agency Financial Policies and Procedures, the MHRC quarterly reporting to our Commissioners was revised to include separate identification and reporting for contributions (labeled "dues" because the Commission does not provide any gifts, donations or sponsorships), procurements, and travel and meals.

We believe that the MHRC is in full compliance with the spirit and letters of 5 M.R.S.A. §§12021-12024, and thank the Legislature for its attention to this matter. Should you or another member of the Legislature require additional information, or have a question, about the above report, please do not hesitate to contact me. Thank you for your attention to this matter.

Sincerely,
S/Amy M. Sneirson
Executive Director

¹ Minutes from the MHRC's February 25, 2013 meeting can be found at this link:

http://www.maine.gov/mhrc/meetings/2013/201302_m.pdf

READ and with accompanying papers **ORDERED PLACED ON FILE.**

The Following Communication: (H.C. 343)
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
96 SEWALL STREET
AUGUSTA, MAINE 04332-0349

January 31, 2014

Honorable Mark W. Eves

Speaker of the House

2 State House Station

Augusta, Maine 04333

RE: MainePERS Procurement, Contributions, Policies and Procedures

Dear Speaker Eves:

The Maine Public Employees Retirement System (MainePERS) is submitting the enclosed report pursuant to 5 M.R.S.A. §12023 to provide information on procurement, contributions, and changes to relevant policies and procedures by MainePERS during the first six months of Fiscal Year 2014.

Section 12023 was part of PL 2011, chapter 616, "An Act to Implement the Recommendations of the Office of Program Evaluation and Government Accountability and the Government Oversight Committee Regarding Quasi-Independent State Entities." Among other things, the Act required quasi-independent agencies like MainePERS to implement by July 1, 2013 written policies and procedures on procurement and contributions and then by February 1 of each year, beginning with this year, to submit to the Legislature a report containing:

A. A list of all procurements exceeding \$10,000 in the preceding year for which competitive procurement was waived under the policies . . . , including procurements exceeding

\$10,000 that were made under contracts previously entered into for which competitive procurement was not required. The list must include the names of the vendors and costs associated with those procurements;

B. A list of all persons to which the entity made contributions greater than \$1,000 in the preceding year and the total amount contributed to each; and

C. A description of changes made in the preceding year to the written policies and procedures required by section 12022 or to the procedures used by the governing body to monitor compliance with those policies and procedures.

5 M.R.S.A. §12023(2). "The Preceding year" is defined in the statute as the most recently concluded fiscal year.

MainePERS' most recently completed fiscal year was July 1, 2012 to June 30, 2013, which preceded the implementation of the procurement and contribution policies and procedures required by the Act. A report from MainePERS reporting procurements made during its "most recently concluded fiscal year" would address a time frame prior to the implementation of its most current policies on procurement. In keeping with the spirit of the Act, MainePERS is instead reporting on the first half of Fiscal Year 2014, from July 1, 2013 to December 31, 2013. Next year MainePERS will report on Fiscal Year 2014 in its entirety.

We would be pleased to respond to any questions you might have about the report.

Sincerely,
S/Sandra J. Matheson
Executive Director

READ and with accompanying papers **ORDERED PLACED ON FILE.**

The Following Communication: (H.C. 344)
MAINE MARITIME ACADEMY
OFFICE OF THE PRESIDENT
CASTINE, MAINE 04420

January 28, 2014

Honorable Mark W. Eves

Speaker of the House

2 State House Station

Augusta, Maine 04333

RE: 5 M.R.S.A. §12023

Dear Speaker Eves:

I am writing on behalf of the Board of Trustees of the Maine Maritime Academy to submit the annual report to the Legislature required by 5 M.R.S.A. §12023

Please feel free to let me know if you have any questions.

Thank you,

S/Dr. William J. Brennan

President

READ and with accompanying papers **ORDERED PLACED ON FILE.**

The Following Communication: (H.C. 345)
CHILD WELFARE OMBUDSMAN
PO BOX 178
AUGUSTA, MAINE 04332-0178

January 31, 2014

Honorable Mark W. Eves

Speaker of the House

2 State House Station

Augusta, Maine 04333

Dear Speaker Eves:

I am pleased to present the eleventh annual report of the Maine Child Welfare Ombudsman. Our office reports to the Governor, the department, and the Legislature each year pursuant to 22 M.R.S.A., §4087-A.

The current Child Welfare Ombudsman program has been in operation since 2003. The Ombudsman receives complaints from individuals involved in child welfare cases. Review of a case may be opened by the Ombudsman if the involvement of the Ombudsman is expected to benefit the child or children who are the subject of a complaint or the complaint concerns a policy or practice issue the resolution of which may benefit other children and families.

The Ombudsman's secondary role is to provide information on the Child Welfare process and referrals to other agencies and organizations that may provide help to the individual or family. The Ombudsman also makes policy recommendations to the Department of Health and Human Services Office of Child and Family Services.

There has been one significant change to the Ombudsman's office this year. The long time Ombudsman, Dean Crocker, has retired as of January 1, 2014. I am pleased and honored to introduce myself as the new Ombudsman, and look forward to serving Maine's Children and Families for years to come.

Respectfully,

S/Christine Alberi

Child Welfare Ombudsman

READ and with accompanying papers **ORDERED PLACED ON FILE.**

The Following Communication: (H.C. 346)

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
SPEAKER'S OFFICE
AUGUSTA, MAINE 04333-0002**

February 4, 2014

Honorable Millicent M. MacFarland

Clerk of the House

2 State House Station

Augusta, Maine 04333

Dear Clerk MacFarland:

Please be advised that pursuant to his authority, Governor Paul R. LePage has nominated the following:

On January 31, 2014

Justice Andrew M. Horton of Falmouth and

Justice Nancy Mills of Cornville for reappointment as a Justice to the Maine Superior Court.

Pursuant to Article V, Part First, §8 of the Maine Constitution, these reappointments are contingent on the Maine Senate confirmation after review by the Joint Standing Committee on Judiciary.

Associate Justice Andrew M. Mead, Sr. of Bangor for reappointment as a Justice to the Maine Supreme Judicial Court.

Pursuant to Article V, Part First, §8 of the Maine Constitution, this reappointment is contingent on the Maine Senate confirmation after review by the Joint Standing Committee on Judiciary.

Judge Michael P. Cantara of Biddeford

Judge Charles A. Dow of Winthrop

Judge Rick E. Lawrence of Portland and

Judge Valerie Stanfill of Wayne for reappointment as a District Court Judge.

Pursuant to Title 4 MRSA, §157, these reappointments are contingent on the Maine Senate confirmation after review by the Joint Standing Committee on Judiciary.

Honorable Ralph W. Sarty, Jr. of Denmark for appointment to the State Liquor and Lottery Commission.

Pursuant to Title 5, MRSA, §283-A, this appointment is contingent on the Maine Senate confirmation after review by the Joint Standing Committee on Veterans and Legal Affairs.

Tracy B. Bigney of Bangor and

Abigail C. Yacoben of West Bath for reappointment to the State Civil Service Appeals Board.

Pursuant to Title 5, MRSA, §7081, these reappointments are contingent on the Maine Senate confirmation after review by the Joint Standing Committee on State and Local Government.

Barbara J. Dresser, Esq. of Saco and

Joseph P. Laliberte of Lewiston for reappointment to the Gambling Control Board.

Pursuant to Title 8, MRSA, §1002, these reappointments are contingent on the Maine Senate confirmation after review by the Joint Standing Committee on Veterans and Legal Affairs.

Sincerely,

S/Mark W. Eves

Speaker of the House

READ and with accompanying papers **ORDERED PLACED ON FILE.**

The Following Communication: (H.C. 347)

**MAINEHOUSING
MAINE STATE HOUSING AUTHORITY
353 WATER STREET
AUGUSTA, MAINE 04330-4633**

January 31, 2014

Honorable Justin L. Alfond

President of the Senate

3 State House Station

Augusta, Maine 04333

Honorable Mark W. Eves

Speaker of the House

2 State House Station

Augusta, Maine 04333

Subject: OPEGA Report

Dear President Alfond and Speaker Eves:

Pursuant to 5 MRSA, §12023 we are pleased to provide you with the following report:

- 1) A list of all procurements during calendar year 2013 exceeding \$10,000 as required under Section 2A.
- 2) A list of all contributions greater than \$1,000 during calendar year 2013 as required under Section 2B.
- 3) No changes have been made to MaineHousing's written policies or procedures.

If you need additional information, please contact me.

Sincerely,

S/John G. Gallagher

Director

READ and with accompanying papers **ORDERED PLACED ON FILE.**

The Following Communication: (H.C. 349)

**MAINE COMMUNITY COLLEGE SYSTEM
OFFICE OF THE PRESIDENT
323 STATE STREET
AUGUSTA, MAINE 04330-7131**

January 30, 2014

Honorable Mark W. Eves

Speaker of the House

2 State House Station

Augusta, Maine 04333

Dear Speaker Eves:

I am pleased to submit on behalf of the Board of Trustees of the Maine Community College System (MCCS) the attached report on certain procurements, contribution and policy changes for the period July 1, 2013 through December 31, 2013 as required by 5 M.R.S.A. §12023(2).

On November 28, 2012, the Trustees adopted revised and/or new policies and procedures in the six subject matters required by 5 M.R.S.A. §12022. On February 1, 2013 MCCS reported those policies and procedures to the Legislature as required by 5 M.R.S.A. §12023(1).

To report the information required by §12023(2), MCCS developed a customized business office module for each of the seven colleges and the System Office, and then fed that module with data from the purchase order, cash disbursements and credit card systems. There are hundreds of purchases and expenditures across the state by the seven colleges, ten centers and System Office every business day. While the task is complex, our review indicates that the colleges' compliance with System policy has been substantial. Expenditures are consistently mission related and, in those few areas where some improvements can be made, they are already underway. MCCS will continue to use its internal controls and annual outside audit to adapt its systems to changing needs, and our Board of Trustees will continue their own ongoing attention to these matters at their regular meetings.

If you have any questions, please do not hesitate to contact me. Thank you.

Sincerely yours,

S/John Fitzsimmons

President

READ and with accompanying papers **ORDERED PLACED ON FILE.**

**PETITIONS, BILLS AND RESOLVES REQUIRING
REFERENCE**

Resolve, To Establish the Blue Ribbon Commission on Independent Living and Disability (EMERGENCY)

(H.P. 1261) (L.D. 1757)

Sponsored by Representative PETERSON of Rumford.

Cosponsored by Senator KATZ of Kennebec and Representatives: CASSIDY of Lubec, CRAFTS of Lisbon, Speaker EVES of North Berwick, FARNSWORTH of Portland, GATTINE of Westbrook, MALABY of Hancock, STUCKEY of Portland, Senator: LACHOWICZ of Kennebec.

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Committee on **HEALTH AND HUMAN SERVICES** suggested and ordered printed.

REFERRED to the Committee on **HEALTH AND HUMAN SERVICES** and ordered printed.

Sent for concurrence.

Pursuant to Statute

Criminal Law Advisory Commission

Representative THERIAULT for the **Criminal Law Advisory Commission** pursuant to the Maine Revised Statutes, Title 17-A, section 1354, subsection 2 asks leave to report that the accompanying Bill "An Act To Clarify the Use of the Term 'Civil Violation' in the Motor Vehicle Statutes"

(H.P. 1262) (L.D. 1758)

Be **REFERRED** to the Committee on **TRANSPORTATION** and printed pursuant to Joint Rule 218.

Report was **READ** and **ACCEPTED** and the Bill **REFERRED** to the Committee on **TRANSPORTATION** and ordered printed pursuant to Joint Rule 218.

Sent for concurrence.

SPECIAL SENTIMENT CALENDAR

In accordance with House Rule 519 and Joint Rule 213, the following items:

Recognizing:

Terrance E. Brann, Jr., of Boothbay, State Controller and Acting Co-Deputy Commissioner of the Department of Administrative and Financial Services, on his 27 years of dedicated service to the State. Mr. Brann's career with the State began in 1987 with the Department of Audit. After earning his Certified Public Accountant certification, he was promoted to the position of Senior Audit Analyst. He joined the Office of the State Controller in 1998, was promoted to Deputy State Controller in 2000 and, in 2009, became the State Controller. In 2012, Mr. Brann was appointed as Acting Co-Deputy Commissioner for the Department of Administrative and Financial Services. Mr. Brann was named Manager of the Year for the department in 2006 and he received 6 consecutive Certificates of Achievement for Excellence in Financial Reporting issued by the Government Finance Officers Association of the United States and Canada. We extend our appreciation to Mr. Brann for his many years of commitment to his profession and to the State, and we send him our best wishes as he moves on to new endeavors;

(HLS 718)

Presented by Representative KESCHL of Belgrade.

Cosponsored by Senator JOHNSON of Lincoln, Senator KATZ of Kennebec, Senator SAVIELLO of Franklin, Representative MacDONALD of Boothbay, Senator HILL of York, Senator CAIN of Penobscot, Senator FLOOD of Kennebec, Representative ROTUNDO of Lewiston, Representative CAREY of Lewiston, Representative SANBORN of Gorham, Representative ROCHELO of Biddeford, Representative JORGENSEN of Portland, Representative CHASE of Wells, Representative WINSOR of Norway, Representative CLARK of Easton, Representative BLACK of Wilton.

On **OBJECTION** of Representative KESCHL of Belgrade, was **REMOVED** from the Special Sentiment Calendar.

READ.

At this point, a message came from the Senate borne by Senator JACKSON of Aroostook of that Body, proposing a Joint Convention of both branches of the Legislature to be held in the Hall of the House at 6:45 in the evening for the purpose of extending to His Excellency, Governor Paul R. LePage, an invitation to attend the Joint Convention and to make such communication as pleases him.

Thereupon the House voted to concur in the proposal for a Joint Convention to be held at 6:45 in the evening and the Speaker appointed Representative BERRY of Bowdoinham to convey this message to the Senate.

The SPEAKER: The Chair recognizes the Representative from Belgrade, Representative Keschl.

Representative **KESCHL**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I've known Terry Brann for many years, both as a friend and colleague, and I've always respected and appreciated his forthrightness and advice. As indicated in the Sentiment, he has had a long and productive career in State Government, during which he provided outstanding service to the citizens of Maine. I will add just one additional comment. The late Honorable Margaret Chase Smith spoke about public service and wrote the following: "My creed is that public service must be more than doing a job efficiently and honestly. It must be a complete dedication to the people and to the nation with full recognition that every human being is entitled to courtesy and consideration, that constructive criticism is not only to be expected but sought, that smears are not only to be expected but fought, that honor is to be earned but not bought." Terry has lived and honored this creed throughout his public service and, for that, I thank him personally for all that he has done for the people in the State of Maine.

The SPEAKER: The Chair recognizes the Representative from Lewiston, Representative Rotundo.

Representative **ROTUNDO**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. I have had the pleasure of working with Terry Brann for many years now on the Appropriations Committee and he is an exemplary public servant and an outstanding professional. I personally want to thank him for his many years of excellent service to the people of Maine. I also would like him to know we are going to miss him very much, but we wish him very well. Thank you.

The SPEAKER: The Chair recognizes the Representative from Easton, Representative Clark.

Representative **CLARK**: Thank you, Mr. Speaker. I just want to say that I was very sad to see Terry going. It's good for him, but really bad for the state. Every time he came in, we would always ask him for \$10 million and about half the time he would have it. It was great working with him and I wish him the best.

The SPEAKER: The Chair recognizes the Representative from Norway, Representative Winsor.

Representative **WINSOR**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. I think I first met Terry Brann in the 120th Legislature when I was a member of the Appropriations Committee, and I had the pleasure of meeting him again, or hearing from him again, during the 120th and now the 126th. Terry Brann is one of those state employees who I became dependent upon to give me information about the state's finances in a way that I thought was honest and honorable. He is one of those people you really could trust and I did trust. Terry, I just want to wish you well and thank you very, very much for my experiences with you. Thank you.

The SPEAKER: The Chair recognizes the Representative from Wells, Representative Chase.

Representative **CHASE**: Thank you, Mr. Speaker. I, too, would like to rise and congratulate Terry on his new position, wish him the best in the future, and to express how grateful we always were when any time we asked him for any information, he came forward and it was just amazing what that man knew and how he shared it with us. I want to wish him the best and I thank him for his services to us. Thank you.

The SPEAKER: The Chair recognizes the Representative from North Yarmouth, Representative Graham.

Representative **GRAHAM**: Thank you, Mr. Speaker. Mr. Speaker, Ladies and Gentlemen of the House. I also want to join in my congratulations and good wishes to Mr. Brann, as these wishes come from the State and Local Government Committee. When he's not before Appropriations, he is sitting in front of us and always has the answers and is always pleasant and respectful. I must say, speaking for the entire committee, we really appreciated all that he has done for the state. Thank you.

Subsequently, the Sentiment was **PASSED** and sent for concurrence.

Recognizing:

the Town of Searsmont, on the occasion of the 200th Anniversary of its incorporation. Located in Waldo County on the banks of the St. George River at the junction of several Indian trails, Searsmont was originally called Quantabacook and was first settled in 1804. Originally part of the Waldo Patent purchased by a consortium of investors that included prominent philanthropist David Sears, it was incorporated on February 5, 1814 as Searsmont. The town was noted for its productive soil, water power and abundant forests. Resident author Ben Ames Williams set many of his stories and novels in Searsmont, which he referred to as Fraternity Village. We send our congratulations and best wishes to the good citizens of Searsmont as they celebrate this 200th Anniversary throughout the year;

(HLS 719)

Presented by Representative PEASE of Morrill.

Cosponsored by Senator THIBODEAU of Waldo.

On **OBJECTION** of Representative PEASE of Morrill, was **REMOVED** from the Special Sentiment Calendar.

READ and **PASSED** and sent for concurrence.

Subsequently, Representative BERRY of Bowdoinham reported that he had delivered the message with which he was charged.

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH**.

REPORTS OF COMMITTEE

Divided Report

Majority Report of the Committee on **CRIMINAL JUSTICE AND PUBLIC SAFETY** reporting **Ought Not to Pass** on Bill "An Act To Restrict the Sale, Purchase and Use of Fireworks in the State"

(H.P. 93) (L.D. 111)

Signed:

Senators:

DUTREMBLE of York

PLUMMER of Cumberland

Representatives:

DION of Portland

LONG of Sherman

MARKS of Pittston

PEASE of Morrill

TYLER of Windham

WILSON of Augusta

Minority Report of the same Committee reporting **Ought to Pass as Amended by Committee Amendment "A" (H-593)** on same Bill.

Signed:

Senator:

GERZOFSKY of Cumberland

Representatives:

KAENRATH of South Portland

LAJOIE of Lewiston

PLANTE of Berwick

READ.

On motion of Representative BERRY of Bowdoinham, **TABLED** pending **ACCEPTANCE** of either Report and later today assigned.

CONSENT CALENDAR

First Day

In accordance with House Rule 519, the following items appeared on the Consent Calendar for the First Day:

(H.P. 1154) (L.D. 1583) Resolve, Regarding Legislative Review of Portions of Chapter 101, MaineCare Benefits Manual, Chapter III, Section 29: Allowances for Support Services for Adults with Intellectual Disabilities or Autistic Disorder, a Major Substantive Rule of the Department of Health and Human Services (EMERGENCY) Committee on **HEALTH AND HUMAN SERVICES** reporting **Ought to Pass**

(H.P. 1155) (L.D. 1584) Resolve, Regarding Legislative Review of Portions of Chapter 101, MaineCare Benefits Manual, Chapter III, Section 21: Allowances for Home and Community Benefits for Adults with Intellectual Disabilities or Autistic Disorder, a Major Substantive Rule of the Department of Health and Human Services (EMERGENCY) Committee on **HEALTH AND HUMAN SERVICES** reporting **Ought to Pass**

Under suspension of the rules, Second Day Consent Calendar notification was given.

There being no objection, the House Papers were **PASSED TO BE ENGROSSED** and sent for concurrence.

(H.P. 1150) (L.D. 1579) Bill "An Act To Authorize Public Safety Personnel and Members of the Military To Wear Their Uniforms When Visiting Schools in Their Official Capacities" Committee on **EDUCATION AND CULTURAL AFFAIRS** reporting **Ought to Pass as Amended by Committee Amendment "A" (H-594)**

On motion of Representative MacDONALD of Boothbay, was **REMOVED** from the First Day Consent Calendar.

The Unanimous Committee Report was **READ** and **ACCEPTED**.

The Bill was **READ ONCE**. **Committee Amendment "A" (H-594)** was **READ** by the Clerk.

Representative MacDONALD of Boothbay **PRESENTED House Amendment "A" (H-597)** to **Committee Amendment "A" (H-594)**, which was **READ**.

The **SPEAKER**: The Chair recognizes the Representative from Boothbay, Representative MacDonald.

Representative **MacDONALD**: Thank you, Mr. Speaker. Mr. Speaker, Men and Women of the House. Thank you for the opportunity to speak on this briefly. This amendment, like the bill, ensures the ability of members of the military and public safety personnel to wear their uniforms when visiting certain publicly supported schools in their official capacities. Unlike the bill, as

amended by Committee Amendment "A" which requires school boards to adopt policies ensuring this ability, this amendment instead provides that such persons may not be denied access to a publicly supported secondary school or secondary public charter school solely because they are wearing their uniforms. Thank you, Mr. Speaker.

Subsequently, **House Amendment "A" (H-597)** to **Committee Amendment "A" (H-594)** was **ADOPTED**.

Committee Amendment "A" (H-594) as Amended by **House Amendment "A" (H-597)** thereto was **ADOPTED**.

Under suspension of the rules, the Bill was given its **SECOND READING WITHOUT REFERENCE** to the Committee on **Bills in the Second Reading**.

Under further suspension of the rules, the Bill was **PASSED TO BE ENGROSSED** as Amended by **Committee Amendment "A" (H-594)** as Amended by **House Amendment "A" (H-597)** thereto and sent for concurrence.

ENACTORS

Acts

An Act To Amend the Reporting Requirements of the Workers' Compensation Management Fund

(H.P. 988) (L.D. 1385)

Reported by the Committee on **Engrossed Bills** as truly and strictly engrossed, **PASSED TO BE ENACTED**, signed by the Speaker and sent to the Senate.

Resolves

Resolve, Extending the Date by Which the Probate and Trust Law Advisory Commission Must Report on Its Work on Maine's Probate Code and the Uniform Probate Code

(H.P. 1247) (L.D. 1741)

Resolve, Extending the Date by Which the Probate and Trust Law Advisory Commission Must Report on Its Review of the Issue of Inheritance of Digital Assets

(H.P. 1248) (L.D. 1742)

Reported by the Committee on **Engrossed Bills** as truly and strictly engrossed, **FINALLY PASSED**, signed by the Speaker and sent to the Senate.

REPORTS OF COMMITTEE

Refer to the Committee on Health and Human Services

Pursuant to Joint Rule

Report of the **Joint Standing Committee on Health and Human Services** on Resolve, Implementing the Recommendations of the Commission To Study the Incidence of and Mortality Related to Cancer (EMERGENCY)

(S.P. 697) (L.D. 1759)

Reporting that it be **REFERRED** to the Committee on **HEALTH AND HUMAN SERVICES** pursuant to Joint Rule 353.

Came from the Senate with the Report **READ** and **ACCEPTED** and the Resolve **REFERRED** to the Committee on **HEALTH AND HUMAN SERVICES**.

Report was **READ** and **ACCEPTED** and the Resolve was **REFERRED** to the Committee on **HEALTH AND HUMAN SERVICES** in concurrence.

**Refer to the Committee on Insurance and Financial Services
Pursuant to Joint Rule**

Report of the **Joint Standing Committee on Insurance and Financial Services** on Bill "An Act To Implement the Recommendations of the Commission To Study Transparency, Costs and Accountability of Health Care System Financing"

(S.P. 698) (L.D. 1760)

Reporting that it be **REFERRED** to the Committee on **INSURANCE AND FINANCIAL SERVICES** pursuant to Joint Rule 353.

Came from the Senate with the Report **READ** and **ACCEPTED** and the Bill **REFERRED** to the Committee on **INSURANCE AND FINANCIAL SERVICES**.

Report was **READ** and **ACCEPTED** and the Bill was **REFERRED** to the Committee on **INSURANCE AND FINANCIAL SERVICES** in concurrence.

CONSENT CALENDAR

First Day

In accordance with House Rule 519, the following item appeared on the Consent Calendar for the First Day:

(H.P. 1009) (L.D. 1421) Bill "An Act To Permit a Student Holding a Degree from a Non-Maine Institution To Participate in the Job Creation Through Educational Opportunity Program" Committee on **TAXATION** reporting **Ought to Pass as Amended by Committee Amendment "A" (H-596)**

Under suspension of the rules, Second Day Consent Calendar notification was given.

There being no objection, the House Paper was **PASSED TO BE ENGROSSED as Amended** and sent for concurrence.

The House recessed until 6:30 p.m.

(After Recess)

The House was called to order by the Speaker.

By unanimous consent, all matters having been acted upon were **ORDERED SENT FORTHWITH**.

At this point, the Senate came and a Joint Convention was formed.

In Convention

The President of the Senate, the Honorable Justin L. Alfond in the Chair.

The Convention was called to order by the Chair.

On motion of Senator HASKELL of Cumberland, it was **ORDERED**, that a Committee be appointed to wait upon First Lady Ann LePage, inviting her to attend this Joint Convention now assembled in the Hall of the House for the purpose of extending to Governor Paul R. LePage an invitation to attend and make such communication as pleases him.

The **ORDER** was **READ** and **PASSED**.

The Chair appointed the following:

The Senator from Kennebec, Senator Lachowicz

The Senator from Cumberland, Senator Gerzofsky

The Senator from York, Senator Collins

The Representative from North Yarmouth, Representative Graham

The Representative from Sanford, Representative Boland

The Representative from Buckfield, Representative Hayes

The Representative from Auburn, Representative Bolduc

The Representative from Saco, Representative Chenette

The Representative from Winslow, Representative Nadeau

The Representative from China, Representative Cotta

The Representative from Old Orchard Beach, Representative MacDonald

The Representative from Fort Kent, Representative Nadeau

The Representative from Morrill, Representative Pease

Subsequently, Senator LACHOWICZ of Kennebec, for the Committee, reported that the Committee had delivered the message with which it was charged and that the First Lady Ann LePage would attend forthwith.

The Chair welcomed in the House Gallery the First Lady of the State of Maine, Ann LePage, accompanied by daughters Lauren, Lisa and Lindsay LePage, son Paul R. LePage II, Rita Derosby, Eddie and Pauline Collins, and Bruce and Rita Myrick.

On motion of Senator Jackson of Aroostook, it was **ORDERED**, that a Committee be appointed to wait upon the Honorable Paul R. LePage, Governor of the State of Maine and Chief Justice Leigh Saufley extending to them an invitation to attend this Convention and to extend to Governor Paul R. LePage an invitation to make such communication as pleases him.

The **ORDER** was **READ** and **PASSED**.

The Chair appointed the following:

The Senator from York, Senator Hill

The Senator from Penobscot, Senator Cain

The Senator from Kennebec, Senator Flood

The Representative from Lewiston, Representative Rotundo

The Representative from Lewiston, Representative Carey

The Representative from Gorham, Representative Sanborn

The Representative from Biddeford, Representative Rochelo

The Representative from Bangor, Representative Frey

The Representative from Portland, Representative Jorgenson

The Representative from Wells, Representative Chase

The Representative from Norway, Representative Winsor

The Representative from Easton, Representative Clark

The Representative from Belgrade, Representative Keschl

Subsequently, Senator HILL of York, for the Committee, reported that the Committee had delivered the message with which it was charged and that the Honorable Paul R. LePage, Governor of the State of Maine, would attend forthwith.

The Chair recognized in the House Gallery the Constitutional Officers of the State of Maine: Secretary of State Matthew Dunlap, Attorney General Janet Mills, and State Treasurer Neria Douglass. The Chair also recognized in the House Gallery State Auditor Pola Buckley, accompanied by her son Daniel. The Chair then recognized in the House Gallery Chief Reuben Cleaves, Passamaquoddy Tribe at Pleasant Point Reservation, and Chief Brenda Commander, Houlton Band of Maliseet Indians.

The Chair welcomed the Honorable Paul R. LePage, Governor of the State of Maine, accompanied by the Honorable Leigh I. Saufley, Chief Justice of the Maine Supreme Judicial Court.

The Chair recognized the Herald, Staff Sergeant Douglas Connolly, accompanied by Lieutenant Colonel Daniel Goodheart.

The Chair welcomed all military personnel present to rise and accept the greetings of the Convention.

The Chair welcomed the Honorable Paul R. LePage, Governor of the State of Maine, to the rostrum.

Governor LePage then addressed the Convention.

Governor **LePAGE**: Thank you so much. Thank you. Thank you very much. Chief Justice Saufley, who continually fights with me to come down on the right side, members of the 126th Legislature, distinguished guests, and my fellow citizens: Tonight, I am here to update you, the people of Maine, about the condition of our great state. First, I would like to recognize a few individuals. To my lovely wife Ann and my children Lindsay, Lisa, Lauren and Paul—please stand—I would not be here tonight or the person I am without all of you and your continued support. Ann, you have made Maine proud. For the work you do at the military, thank you. Staff Sergeant Douglas Connolly, the military herald this evening, thank you for your courageous service to our nation.

As I thank our military men and women, we are reminded of those who are not with us this evening. Bill Knight greeted thousands of troops returning from Iraq and Afghanistan at Bangor International Airport. A World War II veteran, Bill was from the Greatest Generation. Bill died on Christmas Day at the age of 91. In the latter part of his life, he made greeting the troops his life's most important duty. Another veteran who is not here with us tonight is someone that many of you in the chamber know and respect. Mike Cianchette. Mike Cianchette was my chief legal counsel. He is now deployed to Afghanistan. Mike is truly one of Maine's best and brightest, and we send him our best wishes and a speedy and safe return home. Here with us this evening is his lovely wife, Michelle. Our administration is working hard so young Mainers like Mike and Michelle can continue to live, work and raise their families here in our state. We want our young families to enjoy a growing economy that allows them to prosper and succeed.

Mainers are a breed apart. Many of us value our individuality. We work hard. We take care of each other. I love my state. I am proud to call myself a Mainer. I want everybody in Maine to prosper and to succeed. But Maine is at a crossroads. We have huge challenges. Higher taxes and bloated government have not improved our lives. Higher energy costs have not attracted major investments to Maine. More welfare has not led to prosperity. It has not broken the cycle of generational poverty. We cannot return to the last 40 years. We can do better than that. We have to move forward. We must be bold. We must have the courage to make the tough decisions. We can do better. We will do better in Maine.

We must keep our young people in Maine. Recently, I asked some Bowdoin College students, while I was in Brunswick, "What can we do to keep you here?" One of them was Gregoire Faucher from Madawaska. He is eager to hear what the future of Maine holds for him. *Comment a va, Gregoire? Ca me fait plaisir de vous avoir ici ce soir.* Unfortunately, Gregoire hears more

about job prospects in Boston, New York or even New Hampshire than right here in his home state. He wants to stay in Maine. But he may have to leave to find better opportunities and better paying jobs elsewhere. Greg and his classmates are exactly the kind of people that we want here moving our state forward. He is the epitome of a young man who is looking to live in the state he loves. We must create a business climate that encourages investment that will employ our Maine children.

Recruiting job creators to come to Maine is not easy. The global competition is fierce. Investment capital always goes where it is welcomed and will stay where it is appreciated. As Winston Churchill said, who is one of my favorite people in life, "Some people regard private enterprise as a predatory tiger to be shot. Others look on it as a cow they can milk. Not enough people see it as a healthy horse, pulling a sturdy wagon."

Since we have taken office, we have made Maine more competitive. Whether you agree, disagree, whether I take credit or you take credit, in the last three years, Maine's unemployment rate has dropped to 6.2% below the national average and the best we have had since 2008. Nearly 13,000 new private-sector jobs have been created since we have taken office. We have reduced bureaucratic red tape. We cut the automatic increase to the gas tax. We eliminated almost \$2 billion in unfunded pension liability. We right-sized government. We are finding efficiencies within state agencies. However, my proudest achievement is paying \$750 million in welfare debt to Maine's hospitals. It sent the message that, yes, we do pay our bills. Because of our efforts, good-paying jobs are being created in our state. In Portland, the Eimskip shipping service has come to town. In Wilton, Barclaycards has opened up shop. In Brunswick, Tempus Jets. In Nashville Plantation, Irving Forest Products. More jobs have been added to world-class Maine companies like Maine Wood Concepts in New Vineyard, Molnlycke Health Care in Wiscasset, and one that I would always dream to own, Hinckley Yachts in Trenton.

We can be a state of entrepreneurial "doers." There are 40,000 small businesses in Maine. In addition, we have roughly 130,000 microbusinesses, who employ somewhere around 170,000 Mainers. These are the folks and the businesses that drive this economy. If they would each add one person to their employer this year, we would completely transform this economy. We have had to import workers. So we can be done. Nicole Snow of Sebec is a very successful micro-entrepreneur. She created Darn Good Yarn, it is a fascinating story, and she does it all on the internet. Nicole is growing her company into a million-dollar business at home on the internet. Nicole, please stand. Many of you may know Mary Adams. This is Mary Adams very, very young. This lady will be somebody that all Mainers will be proud of.

Having spent my career in business, I know what it takes to grow an economy. But there is a major push by many in this chamber that want to maintain the status quo. Liberal politicians are taking us down a dangerous path—a path that is unsustainable. They want a massive expansion of Maine's welfare state. Expanded welfare does not break the cycle of generational poverty. It only breaks the budget.

In 1935 during the height of the Great Depression, FDR—the father of the New Deal—warned against welfare dependency. He said: "To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit ... The federal government must and shall quit this business of relief." Big, expansive welfare programs riddled with fraud and abuse threatens all. I say all our futures. Too many Mainers are dependent on government handouts. Government dependency never has—and never will—create prosperity.

Maine expanded welfare a decade ago. Now MaineCare alone is consuming 25 percent of the state's General Fund. The result? We are taking money away from: mental health services; nursing homes; job training; education; roads; law enforcement; natural resources. Maine's welfare expansion resulted in a \$750 million debt to our Maine hospitals. We just paid it off. Some in this room want to start over. Shame on you.

Look at the facts. Welfare expansion will cost Mainers \$800 million in the next decade. It will cost \$150 million in the next three years. It will cost Mainers way too much. Maine's current welfare system is failing: Our children. I deal with it every day. On the weekends when I have parents coming into see me and I see these children that are abused and don't get the services and needs that they deserve. Our elderly. Our disabled. Our mentally ill. Thousands of our most vulnerable people are left on waiting lists. They need your compassion. They don't need someone saying "We'll chip away at it." That's an insult.

Michael Levasseur is here tonight. He is from Carmel, he has autism and needs care 24/7. Michael is here tonight with his parents, Cynthia and Paul. Cynthia had to quit her job to care for her son. They downsized their home to make ends meet. With services, Michael would qualify for a job coach, assisted-living accommodations and participate in a day program. Maine lawmakers, you must address the waiting lists. Michael deserves compassion.

We must set priorities on who gets services from our limited resources. Money grows on trees in Washington, D.C. I do not have the means or the ability to grow money in our Maine forest.

Let's be clear. Maine will not get 100 percent federal funding for welfare expansion. It's a pipe dream. Maine already expanded. That means the federal government will give us less money than those states that are currently expanding for the first time. Adding another hundred thousand people to our broken welfare system is insanity. It is unaffordable. It is fiscally irresponsible. If you look at it from a very, very simplistic way, there are 653,000 tax returns filed in the State of Maine annually. With an expanded welfare, we will have 420,000 people on welfare. Very simple. Expanding welfare is bad for working Mainers because they have to foot the bill.

Liberals believe that giving free health care to able-bodied adults, while leaving our most vulnerable in the cold, is compassionate. Folks, I disagree. We must show compassion to all 1.3 million Mainers. We must protect our hard-working families from the higher insurance premiums and higher taxes that will result from further expansion. We should not be here tonight focusing on the next election. We should be focusing on the next generation like Nicole. Nicole and Gregoire need our support.

We owe the next generation a society that provides them with prosperity and opportunity, not welfare and entitlements. I will not sit back and allow the abuse of welfare benefits. Maine's limited resources must serve the truly needy in our society. Maine EBT cards provide cash for Temporary Assistance for Needy Families. This cash is supposed to purchase household items for children and families. Every dollar that goes to buy cigarettes, alcohol or lottery tickets is a dollar taken away from a child, a family or other truly needy in our society.

My proposal will prohibit TANF funds from being used for alcohol, tobacco, gambling and other adult entertainment. We need to limit the use of EBT cards here in Maine—not in Hawaii, not in Florida, although it is nice weather down there. But it is inappropriate to have these cards being used in 46 states for over a year. If you want to ask the taxpayers for money, that's fine. You should make a good-faith effort to look for a job. We

will require those seeking welfare, if able, to look for a job before applying for TANF.

Maine taxpayers are being punished because our welfare program far exceeds the federal guidelines. Maine has been so lenient with its work exemptions, the federal government is fining us millions of dollars in penalties for violating federal guidelines. We must eliminate exemptions that excuse TANF recipients from work.

There is no excuse for able-bodied adults to spend a lifetime on welfare at the expense of hard-working, struggling Maine people. Folks, that is not compassion. As John F. Kennedy said in 1961: "Ask not what your country can do for you, ask what you can do for your country." These words still ring true today. You know, I had the good fortune to shake JFK's hand in Lewiston when he was campaigning for President. I remember running out to the car, shaking his hand, and the next thing, all I saw was sky, buildings and pavement. I'm still looking for the guy that threw me over the jersey barrier.

I know generational poverty. I escaped generational poverty, and I have lived and am living the American Dream. Some caring Maine families took me in from the streets of Lewiston and gave me the guidance I needed to succeed. They are here this evening. I am so proud to Bruce Myrick and Eddie Collins. If it wasn't for them and their families, I probably would be with my brothers today. I have said it many, many times. Education saved my life. Throwing money at poverty will not end poverty. Education and mentoring is the only solution to poverty. The only difference between myself and many in this chamber is you throw money, I want to throw education, because it's the only salvation.

Our bridge programs are providing educational opportunities for Maine students. The Business Academy in Biddeford recently presented, in fact, last week, 33 students with a total of 126 college credits for the first half of this academic year. We saved those kids thousands of dollars in college tuition.

Last spring, in Fort Kent, between the Fort Kent High School and the University of Maine at Fort Kent and the foresight of their leaders, 17 students graduated from high school having completed their first year of college. That was 20 percent of the graduating class. Later this spring, students in Hermon will graduate receiving a high school diploma and some technical proficiencies and trade licenses and certification in the trades. It is working. Many lawmakers, many union leaders and many school administrators oppose our reforms every step of the way. But let me tell you something, folks. You cannot keep good people down. When I ran for Governor, I vowed to Maine people that I would put students and our teachers first, and I will continue to do that because, at the end of the day, the kids, the graduates are the future of this state and deserve it, to them, to give them the best opportunities possible.

To strengthen Maine's economy, we must invest our resources to improve infrastructure, reduce taxes and lower energy costs for the people of the State of Maine. Industry needs infrastructure to move goods and services at the speed of business. Over the next three years, the Maine Department of Transportation will invest over \$2 billion in infrastructure improvements. We will replace and repair 54 bridges and reconstruct hundreds of miles of state roads. We will improve our ports, rail, airports and transit infrastructure. This plan supports over 25,000 jobs in highway and bridge projects alone. Thousands of more jobs will be supported by the investment in ports, rail, ferries and buses. That's putting Maine people to work. That's the good news.

But we still have barriers that make Maine far less competitive. Heating and electricity costs remain a major

obstacle. Our homeowners spend over \$3,000 annually to heat their homes. That's nearly twice the national average. Maine families know that this winter has been a challenge. However, the distribution of natural gas expanded this year in Southern and Central Maine. Mainers will be having the opportunity to save thousands of dollars by converting to natural gas. More funding is being made available to help Mainers convert to more affordable heating systems. These systems include wood pellets, advanced oil systems, natural gas, energy efficiency improvements, and certainly heat pumps – anything that will cost less for Mainers I will support.

My administration is working hard to expand pipeline capacity from Pennsylvania to Maine to take advantage of that state's abundance of natural gas. Further, high electricity costs also make it very, very difficult to attract investment. Our neighbors in Quebec have the best clean-energy resources on the planet. They have an overabundance. My Administration is fighting for access to this cost-effective and clean source of electricity along with the rest of New England governors. We are making a breakthrough with other New England governors in looking at big hydro and natural gas. It's an improvement that we have not seen over the last few years. However, in this chamber, many lawmakers have chosen to support powerful special interests over the needs of Maine's ratepayers. Let's be clear. I do not favor one form of energy over another. I am on the side of those who want to lower energy costs for working Maine families. Whose side are you on? I ask everyone here tonight, whose side are you on, because Mainers need relief.

Tonight, I am going to be proposing a bold new idea to attract companies that will invest \$50 million or more and create 1,500 jobs. My proposal will offer valuable incentives for companies that choose to locate in certain areas that we will call "Open for Business Zones." "Open for Business Zones" will offer discounted electricity rates; employment tax benefits; and provide access to capital. Companies in these zones will get assistance to help recruit and train their workers. Employees in these zones will not be forced to join labor unions. They will not be forced to pay dues and fees to labor bosses. They will allow Maine, as a state, to compete with other right-to-work states that are getting all the investment. Companies in these zones, however, must show preference to Maine workers, companies and bidders. Our proposal combines the kinds of incentives being used very successfully in southeastern states to attract major investments. I have spoken to many of these CEOs who have told me that they are going to Alabama, South Carolina, North Carolina, Georgia, Louisiana simple because we're not competitive. We must be able to compete if we want our people to prosper. We must make some bold decisions. We must show our young people like Gregoire that we are serious about providing good-paying jobs and opportunities for he and his classmates.

States with the highest economic growth often have the lowest overall tax burdens. We are working hard to combat Maine's reputation as a high-tax state. We passed the largest tax cut in Maine's history. Two-thirds of Mainers are getting income-tax relief. Liberals call it a "tax break for the rich." But, folks, 70,000 Mainers, low-income earners will no longer pay income tax. We cut taxes for the working poor. This, my folks, my dear friends, is compassion. We are putting money in people's pockets. We told the business community we are serious about tax reform. I am proud of the modest progress we are making. But we need to do much more.

Our tax system is out of date. It is not competitive with other states in our country. So let's ask Mainers in a statewide referendum whether they want lower taxes. I believe we must lower our income tax rates and eliminate the estate tax to bring

Maine's tax system into the 21st century. This would make Maine more competitive for people to work and raise their families here in our great state. It would encourage the multitude of retirees who leave our state in the fall to stay at home right here in Maine. This will protect our working-class families from bearing an unfair tax burden. My proposal also includes a limit on the growth of state spending. This will provide much-needed relief to Maine's taxpayers.

Let's stop arguing about tax reform. Let's ask the people who really matter. Let's ask Maine's hardworking taxpayers. We will ask Mainers a simple question at a statewide referendum. We will ask them if they want to lower the tax by at least \$100 million and we'll reduce state spending by a \$100 million. We shrink government. We think Mainers want tax relief. Let's give them the option to decide whether they want big government or smaller government.

Finally, folks, we must confront a troubling epidemic. It is tearing at the social fabric of our communities. While some are spending all their time trying to expand welfare, we are losing the war on drugs. In 2013, 927 drug-addicted babies were born in our state. That was more than 7 percent of total births. Each baby addicted to drugs creates a lifelong challenge for our health care system, schools and social services. The average cost of a drug-affected birth in 2009—this was in 2009—was \$53,000 per child, as compared to \$5,900 for a natural healthy birth. Welfare programs in this country covered 80 percent of the increased cost.

More important than cost are the effects on these innocent children. I am deeply concerned about the suffering and long-term consequences these newborns will be subjected to. It is unacceptable to me that a baby should be born affected by drugs. We need to show compassion for the newborn babies in our state.

In addition, there were 163 drug-induced deaths in Maine in 2012. Death by drugs is overtaking death by car accidents in our state. The use of heroin is increasing. Four times as many people died from a heroin overdose in 2012 than in 2011. Four times more. Over 20 percent of all homicides were related to illegal drugs. We must address this problem. Drug addiction and drug trafficking is a cancer we can do without. We must act now.

We need to fully fund the Maine Drug Enforcement Agency. Our police chiefs tell us local law enforcement officials need more resources to fight the drug problem in our state. Auburn Police Chief Phil Crowell is the president of the Maine Chiefs of Police Association. He is here tonight to show that the chiefs fully support our administration's war on Maine's drug problem. I am pleased also that the county sheriffs also enthusiastically support our initiative.

Folks, whether you are a Conservative, Libertarian, Republican, Liberal, Progressive, Democrat, Green, Blue, I need to tell you this: Henry Ford said, many times, "Coming together is a beginning; keeping together is progress; and working together is success." The judicial branch, the executive branch and the legislative branch joined forces in an effort to eradicate domestic violence from our state. We have all worked together on that and we are making some progress. We need to come together once again to combat Maine's drug problem.

My proposal adds new special drug prosecutors, four of them, adds four new judges to sit in enhanced drug courts in Presque Isle, Bangor, Lewiston and Portland. The Chief Justice, she will decide. I am just making a suggestion. Since local agencies do not have the manpower or the resources they need to fight drug problems, we will add 14 MDEA agent positions. These are needed because we have a lot of meth labs around the state and they have gone from 10 to 20 to 40, and now law enforcement is

faced with moving. They have meth labs that are moving. They are rolling meth labs around the state. We cannot allow our law enforcement agencies, members of the public, to be blown up in one of these meth labs. We have to stop them in their tracks. We must hunt down the dealers and get them off the streets. We must protect our citizens from drug-related crimes and violence. We must save our babies from lifelong suffering.

In closing, I welcome common-sense solutions from anyone who wants to put Maine on the right path. Success does not happen without hard work. Bring me bold solutions. Put your politics aside. Fight for the future of Maine people. We must show our youth the path to success. Ladies and gentlemen, it has been a pleasure to be here with you tonight. May God Bless you. God Bless the State of Maine. God Bless the United States. Folks, it's time to get to work. Thank you.

At the conclusion of the address, Governor Paul R. LePage withdrew amid the applause of the Convention, the audience rising.

The purpose for which the Convention was assembled having been accomplished, the Chair declared the same dissolved.

The Senate then retired to its chamber.

(After the Joint Convention)

The House was called to order by the Speaker.

On motion of Representative BERRY of Bowdoinham, the House adjourned at 7:55 p.m., until 10:00 a.m., Thursday, February 6, 2014.